

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7349**

**BILL NUMBER: SB 548**

**DATE PREPARED:** Jan 16, 1999

**BILL AMENDED:**

**SUBJECT:** Two license plates on motor vehicles.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires the Bureau of Motor Vehicles to issue two license plates to all vehicles other than motorcycles, trailers, yard trailers, and semitrailers. It requires a vehicle for which two license plates have been issued to display a license plate on the front and the rear of the vehicle. The bill makes conforming changes to related statutes.

**Effective Date:** January 1, 2000.

**Explanation of State Expenditures:** For the Bureau of Motor Vehicles(BMV), start-up costs are estimated at \$17,600 for a truck to deliver the additional plates to the 168 license branches throughout the state. The fund affected is the Motor Vehicle Highway Account which supports the BMV. There will be a cost for the additional plates and stickers. *NOTE: Prison Enterprise Network (PEN Products), the manufacturing and sales arm of the license plates and stickers, is in the process of gathering the data and as soon as it is available, this part of the fiscal note will be updated.* The funds affected are the PEN Products Revolving Fund and the Motor Vehicle Highway Account.

There will be increased mailing costs for the BMV with the second plate. The cost of mailing two plates is approximately \$1.02 more than the cost of mailing one plate. The BMV mails about one million plates per year. The increase in annual postage is estimated at \$1.02 million. The specific impact for this expenditure will depend upon the number of plates that the BMV actually mails out each year. The fund affected is the Motor Vehicle Highway Account.

It is possible that there may be a need for additional personnel. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of December 31, 1998, the BMV had

101 vacancies on its Manning Table. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** The bill allows the BMV to set by rule an additional fee to register a vehicle with two license plates. The fee is to reimburse the cost of issuing two license plates for a vehicle. The additional fee may not exceed \$3. Assuming a fee of \$3 per registration, the revenue for this is estimated at \$14.4 million. Based on calendar year 1997 registrations, the most recent year for which complete data are available, there are approximately 4.79 million vehicles that would require two license plates. The fund affected is the Motor Vehicle Highway Account.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

**Local Agencies Affected:**

**Information Sources:** BMV budget and registration data; Becky Gillam, Director of Sales and Marketing for PEN Products, 387-2020.